

UTAH INTERNATIONAL INC.

CEDAR CITY OPERATIONS

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(801) 566-6503

March 11, 1981

Mr. Cleon B. Feight
Director
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Feight:

Mr. Bob MacCannon, of CF&I Steel Corporation, and I had the pleasure of meeting with your Mr. Ron Daniels and Mrs. Mary Ann Wright on March 5, in Salt Lake City, to discuss both Utah International's and CF&I's present status regarding mining activities in the Cedar City area.

In accordance with Rule M-7, we are hereby notifying you that our operations have been suspended for an indefinite period of time.

I have requested an appearance before the Oil and Gas Board in April so that the details surrounding this suspension may be explained as well as documented. The reason being that due to the two-year limitation clause, we may ask for some modification. For the present all economic mining has been completed in the Iron Springs area which was outlined in the permit dated 12-26-78. Three areas addressed in the permit have not been mined because of economics, and the future of their being mined is indefinite. They are: The April Fool, Thompson, and part of the Twitchell orebodies.

All mined areas associated with Utah's holdings after 1975, have been reclaimed, as displayed in the document sent to your office dated October 29, 1980, as outlined in Section 40-8.21(2). The office and plant site at Iron Springs remain intact. We are still using the office and warehouse facilities and we have a considerable ore inventory in stockpile at the Iron Springs plant, as yet unsold. This will require the maintenance and future use of the plant site.

In May of 1980, we amended our permit to include the building of tailings dikes and expansion of the Comstock plant, which is on properties that "Utah" either controls or owns. However in January we received notice from CF&I Steel to suspend all Comstock activities -- both plans for the new mill and the mining agreement that has been in effect for years. The reason given was it is not presently economically feasible. The future of this plant and its needs beyond two years is indefinite. CF&I has considerable ore reserves remaining

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DIVISION OF
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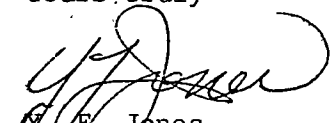
Jim - Your
copy. Orig has
been filed. See
if Paula
has set
up a mtg
w/Board in
April.
R

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in the Comstock area and it would seem unwise to remove the present plant facilities to meet the reclamation laws, and further jeopardize the future economics of the mine site.

Mr. Bob MacCannon, of CF&I, was to address by separate memo, the mining suspension regulations regarding their holdings and their reclamation plan.

Yours truly



Y. F. Jones
Manager

YFJ:sf

cc: B. C. Paulson
R. W. MacCannon
Mary Ann Wright
Ron Daniels
Steve Davis